

MEMORANDUM FOR: DCI

The attached is relevant to your material on European reaction to sanctions found in your Olmer book.

informed me that the State Morning Summary will carry a feature article on this issue tomorrow. You may want to read it before your breakfast.



Date 30 June 1982

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UK MOVES TO THWART U.S. PIPELINE BAN

LONDON, JUNE 30 - THE UK GOVERNMENT SAID IT HAS TAKEN THE FIRST STEPS TO ENABLE IT TO PROHIBIT UK FIRMS FROM COMPLYING WITH THE U.S. EMBARGO ON SUPPLIES FOR THE SIBERIAN GAS PIPELINE PROJECT.

THE TRADE DEPARTMENT SAID TRADE SECRETARY ARTHUR COCKFIELD HAS MADE AN ORDER UNDER THE PROTECTION OF TRADING INTERESTS ACT 1980, SECTION 1 (1), CITING "U.S. RE-EXPORT CONTROL REGULATIONS AS MEASURES WHICH ARE DAMAGING TO THE TRADING INTERESTS OF THE UK."

REUTER 1105

-FORMER FRENCH PREMIER SAYS U.S. IS ERRING POLITICALLY IN TRYING TO STOP SOVIET PIPELINE

PARIS -(DJ)--FORMER FRENCH PREMIER RAYMOND BARRE SAID WEDNESDAY THAT THE U.S. WAS COMMITTING A +POLITICAL ERROR+ IN ATTEMPTING TO PREVENT CONSTRUCTION OF A PROPOSED SOVIET GAS PIPELINE TO WESTERN EUROPE.

BARRE, A PROMINENT ECONOMIST AND HEAD OF THE CENTER-RIGHT GOVERNMENT THAT WAS SWEPT FROM OFFICE 14 MONTHS AGO, SAID U.S. ACTIONS ON THE PIPELINE DIDN'T PROMOTE COHESION IN THE ATLANTIC ALLIANCE.

SPEAKING TO THE ANGLO-AMERICAN PRESS ASSOCIATION, BARRE WARNED THE AMERICANS AGAINST REGARDING THE ALLIANCE AS A PROTECTORATE.

HE SAID HE SUPPORTED RECENT FRENCH AND WEST GERMAN GOVERNMENT STATEMENTS ATTACKING WASHINGTON'S DECISION TWO WEEKS AGO TO EXTEND THE BAN ON SALE OF U.S.-MADE EQUIPMENT FOR THE PIPELINE TO EUROPEAN COMPANIES.

THE REAGAN ADMINISTRATION EXTENDED THE BAN ON PIPELINE SALES TO COVER SUBSIDIARIES OF U.S. COMPANIES AND COMPANIES HOLDING LICENSING AGREEMENTS WITH U.S. FIRMS, WHICH MAINLY INCLUDE FIRMS IN BRITAIN, FRANCE, WEST GERMANY AND ITALY.

HE REJECTED THE REAGAN ADMINISTRATION'S CONTENTION THAT THE PIPELINE WOULD MAKE EUROPEAN COUNTRIES MORE DEPENDENT ON THE SOVIET UNION AND THEREFORE SUSCEPTIBLE TO PRESSURE IN A CRISIS.

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-(DJ-06-30-82 1545GMT